

**GOVERNMENT-WIDE COMMERCIAL  
CREDIT CARD  
FOR MICRO-PURCHASES**

**HECSA PAMPHLET 715-1-1**

## **PREFACE**

### **Government-Wide Commercial Credit Card for Micro-Purchases**

The HECSA Pamphlet 715-1-1, Government-Wide Commercial Credit Card for Micro-Purchases, is provided for your information. All Billing Officials, Alternate Billing Officials and cardholders should read this pamphlet and become familiar with current internal operating procedures. Billing Officials are required to ensure a copy of this pamphlet and any updates provided in the future are made available to their cardholders that do not have access to email. Cardholders that have email will be sent the current pamphlet and future updates via email.

If you have any questions, please contact the Agency/Organization Program Coordinator (A/OPC), Alandra Jones, Contracting Office, at (703) 428-6551 or the Alternate Agency/Organization Program Coordinator, Brian Smith, Contracting Office, at (703) 428-8062.

**INTERNAL OPERATING GUIDE PROCEDURES**  
**When Using**  
**Government-Wide Commercial Credit Card**  
**for Micro-Purchases**

1. **Purpose:** This pamphlet implements policy contained in Army Federal Acquisition Regulation (AFAR), Defense Federal Acquisition Regulation (DFAR), and the Federal Acquisition Regulation (FAR). It provides guidance on purchases made using the Government-Wide Commercial Purchase Card. The purchase card provides procurement and non-procurement personnel with a simplified method of purchasing commercially available supplies and services which do not exceed the micro-purchase threshold.

2. **References:** Required guidance provided in the HQUSACE Purchase Card Procedures, AFAR Part 13, DFAR Part 213 and FAR Part 13.

3. **Explanation of Abbreviations and Terms:** Abbreviations and special terms used in the pamphlet are explained in Appendix F.

4. **Introduction:**

a. The General Services Administration (GSA), Federal Supply Service (FSS) has entered into a contract with the contractor bank to provide a Government-Wide Commercial Purchase Card service. USACE activities that participate in this program are required to issue a delivery order against the contract. The contract provides, at the request of Federal ordering agencies, Government-Wide Commercial Credit Cards and associated services for civilian and military government employees to make micro-purchases under the simplified acquisition procedures.

b. The procedures outlined herein have been established in accordance with the GSA contract and are a HECSA supplement to the guidelines (HQ SOP) provided by Headquarters, U.S. Army Corps of Engineers (HQUSACE).

5. **General:**

a. **Cardholder:** A cardholder is any individual designated by a Director or Separate Office Chief to be issued a credit card. The credit card bears the individual's name and can be used only by the cardholder to pay for authorized U.S. Government official purchases. A Director or Separate Office Chief requests cardholders by submitting a Cardholder setup form for Appointment of Cardholders, which can be obtained from the A/OPC during the credit card training session. Upon completion of training, the A/OPC processes the necessary paperwork to the contractor bank to issue a credit card directly to the cardholder. The cardholder shall contact the A/OPC upon receipt of card to provide information to be input into the CEFMS database.

b. **Certification:** The act of attesting to the legality, propriety, and correctness of a document for payment as provided for under 31 USC Sec. 3528.

c. **Purchase Request and Commitment:** The purchase request and commitment (PR&C) serves as the procurement document. An initiator (preferably the credit card holder) prepares the PR&C requesting supplies or services, and obtains all necessary technical approvals and signatures for credit card purchases prior to ordering from the vendor.

d. **Delegation of Authority:** The Chief, Contracting Office, has delegated to the A/OPC the responsibility for designating qualified cardholders and Billing Official's (BO), issuing letters of Delegation of Authority to cardholders and BO's, approving changes on purchase limits, granting exceptions, and establishing authorization activity codes on cards.

e. **Statement of Account:** At the end of each billing cycle, the contractor bank provides a report on purchases to the cardholders. This report is the Statement of Account (SOA). The report indicates date, amount, place of purchase, and forms the basis for reconciliation process between the cardholder and the BO. Cardholders must verify receipt of the ordered items in CEFMS prior to submitting the SOA to the BO. The cardholders must provide the BO sufficient supplementary documentation for verification. The documentation shall include, but is not limited to: (1) vendor's sales drafts/receipts; (2) PR&C's with technical approvals, obligation numbers, packing slips; (3) cardholders Statement of Questioned Items (CSQI); and, (4) a copy of the Record of Credit Card Purchases Call log.

f. **Billing Statement/Official Invoice:** The Billing Statement is a summary of all purchases made and is provided by the contractor bank to individual BO's and one or more cardholders per billing cycle. The Billing Statement is the bank's request for payment and will serve as the official invoice for vendor payment.

#### 4. Use of the Credit Card

a. The credit card may be used by non-contracting personnel to order micro-purchases. A micro-purchase is an acquisition of supplies or services, which does not exceed \$2,500. Micro-purchases for construction are limited to \$2,000.

b. HECSA contracting personnel may use the credit card for a single purchase limit up to \$25,000. Purchases over \$2,500 require competition and documentation in accordance with the FAR and its supplements.

c. Micro-purchases must be procured in accordance with the FAR and its supplements. Pursuant to FAR Part 13, Simplified Acquisition Procedures, purchases may be made from large or small businesses, and foreign or American made products may be purchased. FAR Part 8, lists the Required Sources of Supplies and Services; this list can also be found at APPENDIX A of this Pamphlet. Access to the FAR is available via Internet @ <http://www.arnet.gov/far> <http://farsite.hill.af.mil>

d. Training of up to \$25,000 may be charged by cardholders. CEFMS requirements for DD1556 must be met. U.S. Bank has established a code "Q" for cardholders for traditional educational institutions. Training PR&C from organizations coded other than "Q" offering training will be declined by the bank if the amount exceeds \$2,500. Those requirements may be sent to the Contracting Office for processing. Contracting Offices are authorized to issue not more than two (a primary and an alternate) Purchase Cards to Training Officers with single purchase limits of \$25,000 to be used specifically for training purchased from organizations or firms that are coded other than "Q".

5. **Guidelines and Restrictions:** Some items require special written technical approvals from the Finance and Accounting Office, Information Management, or Logistics. For Guidelines and Restrictions from HQUSACE see APPENDIX B; Information Management see APPENDIX D; Finance and Accounting references prohibited purchases, restricted items, or items requiring special technical approvals, see APPENDIX C; and Logistics see APPENDIX E. CEFMS database will NOT allow obtaining technical approvals from the Finance and Accounting Office on items at APPENDIX C, for books and publications from Information Management, from individual supervisors on safety items for employees that require safety equipment under their Job Hazard Analysis for placing advertisements and public notices in newspapers. In these instances, either a FAX technical approval request or email technical approval request must be obtained and attached to the PR&C prior to the items or services being purchased. It is the cardholder's responsibility for reviewing restricted items and for obtaining all required technical approvals prior to purchasing any item or service.

6. **Procedures for Credit Card Holders:** When making purchases using the credit card, cardholders are responsible for following the guidelines and restrictions described in paragraph 4.

a. A purchase utilizing individual PR&C's with electronic signatures, require technical approvals and funds commitment prior to the purchase of items or services.

b. Instructions for using bulk PR&C's are at APPENDIX C.

c. All cardholders are required to check all PR&C's against the HQUSACE restricted list at APPENDIX B. Restricted items may not be purchased by cardholders. PR&C's for restricted items or services, items that cannot be obtained within the cardholder's billing cycle, or items that a firm fixed price cannot be obtained must be forwarded to CEHEC-CT for processing.

d. Purchases may not be split in order to stay within the cardholder's single purchase limit. Splitting orders to avoid sending PR&C's over the micro-purchase threshold to CEHEC-CT will result in cancellation of the cardholder's credit card and purchasing authority. "Splitting" purchases into a series of purchases, each of which is intended to fall under the single purchase limit, is a violation of the Anti-Deficiency Act. An improper "split" involves the willful reduction of a requirement in an effort to keep the total price of the purchase at or below the micro-purchase threshold. To determine if a requirement was split, one must determine what the "requirement" was at the time of the purchase. Typically, the known needs of an organization by the cardholder at the time of the purchase constitute the requirement. If a cardholder typically purchases items when he/she becomes aware of a need, the requirement is considered that instant quantity or need. If, on the other hand, the cardholder typically waits to purchase, the requirement becomes the total needs received up to the point of ordering.

e. The credit card may be used over the counter or by telephone.

f. When making a credit card purchase, cardholders must inform the vendor that the transaction is for official U.S. Government purposes and is not subject to state and local sales tax. The Tax Exemption Number for the Humphreys Engineer Center

Support Activity is #54-1181941. This number should be provided to the vendor upon request.

7. **Pricing Information:** Prior to completing a purchase the cardholder must assure the following information is either obtained from or conveyed to the vendor:

- a. Does the company offer discounts to the government?
- b. Request Freight on Board (FOB) Destination prices. If the order is FOB shipping point, the cardholder must obtain a firm fixed price for shipping. The credit card cannot be used to pay for estimated costs. Problems associated with FOB shipping point are not considered a disputable item. Therefore, the cardholders are not to complete a Cardholder Statement of Question Item (CSQI). The contractor bank will not become involved with problems associated with FOB Shipping Point.
- c. Inform the vendor that back ordering is not permitted. All items must be shipped together and within the cardholder's billing cycle.
- d. Inform the vendor that the credit card number must not be displayed on any packing slip, delivery ticket, or on the package label when purchases are made by telephone.
- e. Ask the vendor if a sales slip is provided for credit card purchases or if the purchase will be processed electronically. If a sales slip is not available and the purchase is processed by electronic means, request the ticket authorization number. This number is used for tracking purposes by the contractor bank if there is a dispute on the order.

8. **Placing the Order:**

- a. Place the order and verify quantities, unit prices, and total cost with the vendor. Give the vendor your name, your credit card number, and the expiration date of your credit card. Be sure to inform the vendor that the Federal Government is tax exempt (See paragraph 6f).
- b. **Items Picked Up.** If the order is placed by telephone and someone other than the cardholder is picking up the items, inform the vendor that the sales receipt must be mailed directly to the cardholder. The individual picking up the items may sign the vendor's receiving document to verify who picked up the items. No one should have access to the card number except the vendor, BO, A/OPC, F&A, contractor bank, and Internal Review.
- c. **Items Shipped.** Instruct the vendor to mail the sales receipt to the cardholder. The credit card number must not be on any package/box. Ensure the vendor agrees to charge the credit card after shipment is made. The order must not be placed without this assurance.

9. **Documentation:** After placing an order, the cardholder is responsible for properly documenting the PR&C. The following information should be included:

- a. Name of company, name of individual that processed the order, and the company's phone number.
- b. Prices quoted, delivery date, and shipping terms.
- c. Note that you informed the vendor the purchase is tax exempt.
- d. If the vendor takes the order electronically and no sales receipt will be issued, document on the PR&C that a sales receipt will not be issued and write the vendor's ticket authorization number on the PR&C.
- e. Verify that quantities and line items do not exceed the amount of funds committed on the PR&C.
- f. Document the PR&C, state the name of the cardholder who placed the order, and the date the order was placed.

10. **Monthly Billing Statements:**

- a. BO's receive a monthly computer printout billing statement from the contractor bank indicating cardholders who had activity with their cards during the month. This signals BO's to request SOA's from their cardholders who have not already submitted them for processing.
- b. A BO or Alternate Billing Official (ABO) signature on the back of the monthly SOA constitutes verification that the cardholder properly procured, received, and documented all purchases, and processed receipts and the monthly SOA correctly.
- c. Cardholders must process monthly SOA's in the CEFMS database in accordance with established procedures for payment (CEFMS BPG).
- d. Cardholders must forward all the **originals** to the BO indicating on the front of the monthly SOA what items were purchased and the obligation numbers. The SOA **copy** for the BO files shall have attached supplementary documentation such as PR&C's, **original** sales receipts, packing lists/receiving documents, and copies of any CSQI's, which the BO keeps for formal disputes and for audit purposes.
- e. After verifying information, the cardholder signs the back of the SOA and forwards it to the BO for review and signature.
- f. Cardholders must inform the BO and ABO of the location of the Visa files and SOA's in case they are unavailable to process the SOA's in the CEFMS database in accordance with established procedures.
- g. The cardholders BO's original statement is to be forwarded to the Finance Center @ USAED c/o USACE Finance Center, 5722 Integrity Drive, Millington, TN 38054-5005 with a copy of the Finance Center Transmittal Form Letter: UFC-AO-2. To obtain this form go to [www.fc.usace.army.mil](http://www.fc.usace.army.mil) click on publications then click on forms.

11. **Billing Discrepancy Procedures - Disputes:** The two most common causes of disputes are:

a. **Defective Items.** If items purchased with the credit card are found to be defective (e.g., price, quantity, or quality), the cardholder must obtain replacement or correction from the vendor as soon as possible. If the vendor refuses to replace or correct the faulty item or charge, the charge for the item should be formally disputed by submitting a Cardholder Statement of Questioned Items (CSQI) to the bank. The cardholder must ensure that once the item is no longer in dispute, the purchase is either credited to the account or processed for payment.

b. **Unauthorized Charges.** If a cardholder receives an SOA that lists an unauthorized or incorrect charge, the cardholder must try to resolve the charge with the vendor. If it can not be resolved, the transaction must be formally disputed, by issuing a CSQI.

c. **Items Billed but Not Received - Delayed Dispute Procedures:**

(1) If an item has been ordered and billed on an SOA, but not yet received, the cardholder should wait until 45 days or until the following billing cycle to submit a CSQI. Cardholders should annotate on the SOA that item(s) have been ordered, but not received. The BO will certify the billing statement in full and monitor the account to determine if items are received during the subsequent billing cycle. If the items are not received by the time the next SOA is received, then the cardholder must submit a CSQI directly to the contractor bank and attach a copy of the CSQI to the subsequent SOA during monthly reconciliation. The monthly SOA should be highlighted to indicate the line item that is in dispute and annotate, "See attached CSQI". The BO will forward a copy of the CSQI with the monthly SOA to the USACE Finance Center. Cardholders have 60 days from receipt of an SOA to dispute an item. If the contractor bank on the disputed item does not receive a CSQI within the 60 days, the government is required to pay the invoiced charges. The contractor bank will not accept CSQI's on taxes charged or incorrect shipping charges.

(2) The original "CSQI" form is to be sent to the following address: I.M.P.A.C. Customer Services, P.O. Box 6347, Fargo, ND 58125-6347, FAX number (701) 461-3466.

(3) The contractor bank will credit the transaction until the dispute is resolved.

12. **Retention of Documentation - Billing Officials:**

a. The Modern Army Recordkeeping System file number 37-1f must be used for credit card records.

b. To facilitate review and audit, the BO shall keep a copy of monthly Billing Statements in the file with a copy of each cardholder's signed monthly SOA, with attached approved PR&C's, documentation, original sales receipts, packing slips and copies of CSQI's. The BO is responsible for retention of these records for three years.



13. **Coordination for Payment:** The cardholder must date stamp or otherwise note the date of receipt on the monthly SOA. The cardholder shall forward the SOA to the BO within five calendar days after receipt.

Receipt of Statement Date	Cardholder forwards to Billing (BO) Official	Billing Official (BO) forwards to USACE Finance Center	Finance Center pays credit card invoices
Day 1	Day 5	Day 10	Day 28

14. **Contact with the Contractor Bank:**

a. The cardholder must contact the contractor bank to report a LOST OR STOLEN card. All other questions will be directed to the contacts listed in these procedures (paragraph 3).

b. **Telephone Notification:** If the card is lost or stolen, the cardholder shall immediately notify the contractor bank at the following numbers 24 hours/day: Inside the continental United States - call 1-800-227-6736, outside the continental United States - call collect (303) 585-5200.

c. **Written Notification:** The cardholder must notify the BO and the A/OPC of a lost or stolen card within one workday after discovering the card missing. The BO shall submit a written report to the A/OPC within five working days of any lost or stolen card.

d. **Card Replacement:** The contractor bank will mail a new card within 10 working days of the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen should be cut in half and given to the BO. The A/OPC must notify contractor bank that the card has been destroyed. The Federal Government, as the cardholder, may be responsible for charges against this card if lost or stolen and the contractor bank was not notified at once of the missing card. If reported properly, the cardholder will not be personally responsible for charges on a lost or stolen card.

14. **Card Security:** It is the cardholder's responsibility to safeguard the credit card and account number at all times. The cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

15. **Separation of Cardholder:** Upon separation from his/her job, the cardholder must surrender the credit card to the BO. The BO shall destroy the card and submit a written verification through the office chief, to the A/OPC, stating the credit card has been destroyed and requesting the cardholder's account be terminated with the contractor bank and in the CEFMS database. The A/OPC must notify the contractor bank to cancel the account and ensure the account in the CEFMS database is closed.

16. **Penalties:** In accordance with 31 U.S.C 3528, the Credit Card Billing Official has pecuniary liability for violation of the following:

- a. Purchase of items, services, or construction that were not necessary to fulfill immediate organizational mission requirements.
- b. Exceeding spending limits prescribed in the cardholder's delegation letter.
- c. Purchase of items, services, and construction for personal use or the personal use by any other individual.
- d. Purchase of items, services or construction that have been specifically prohibited by the organization or by statute. Prohibitions are listed at APPENDIX B.
- e. Purchase of items that are part of a system or larger purchase exceeding \$100,000 in value.
- f. Splitting purchases into small segments to stay under the micro-purchase limit of \$2,500, or \$2,000 for construction.
- g. Remedial training will be required for cardholders found to be in violation of the above. If violations continue, a determination may be made by the Chief of Contracting to cancel the credit card.

17. **Late Processing of Statements of Account:**

- a. In accordance with the terms and conditions of the GSA contract with the contractor bank, after three past due notices, the contractor bank may suspend the accounts within the authority of any Billing Official. This is not limited to the delinquent cardholder, but all of the cards under the Billing Official's authority.
- b. If accounts are officially suspended, the bank will charge a \$25.00 reinstatement fee per card.

18. **Micro-Purchase Approval Authority:** As directed by Office of the Undersecretary of Defense (Acquisition & Technology) Memorandum, – Micro-purchase Approval Authority, dated 2 October 1998 (<http://purchasecard.sarda.army.mil/Memo2.htm>), a written determination by a member of the Senior Executive Service (SES), a Flag Officer, or a General Officer is required if a contract or purchase order is to be used in lieu of the Purchase Card for any type of award/order valued at or below \$2,500 (that does not use the purchase card on a stand-alone basis or as the method of payment). This policy includes both commercial and non-commercial items. It includes contracts, purchase orders (including SF 44s), orders under task and delivery order contracts, orders under basic ordering agreements, and calls against blanket purchase agreements. Awards/orders valued in excess of the micro-purchase threshold will be structured (e.g. contract line items, delivery schedule, and invoice instructions) to minimize the generation of invoices valued at or below \$2,500. For Corps activities without an SES or General Officer, this approval authority may be re-delegated to the level of the senior local commander or director.

19. **File Documentation-Review**: The Contracting Office will perform a quarterly review of each billing official's account. Remedial training will be recommended for cardholders found to be in noncompliance of the procedures. If noncompliance continues, the credit cards may be canceled.



CHARLES B. RAU  
Director

5 Appendices

APP A- FAR, Part 8

APP B - HQUSACE Restriction/Guidelines

APP C - Finance & Accounting/Office of Counsel Operating Procedures

APP D - Information Management Operating Procedures

APP E - Logistics Management Operating Procedures

**APPENDIX A**  
**Federal Acquisition Regulation, PART 8**

**1. 8.001 Priorities for Use of Government Supply Sources.**

a. Except as required by **8.002**, or as otherwise provided by law, agencies shall satisfy requirements for supplies and services from or through sources and publications listed below in descending order of priority:

**REQUIRED SOURCES OF SUPPLIES AND SERVICES**

**(1) Supplies.**

- (i) Agency inventories;
- (ii) Excess from other agencies (see Subpart 8.1);
- (iii) Federal Prison Industries, Inc. (see Subpart 8.6);

Products available from the Committee for Purchase From People Who Are Blind or Severely Disabled (see Subpart 8.7);

(vi) Wholesale supply sources, such as stock programs of the General Services Administration (GSA) (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Department of Veterans Affairs (see 41 CFR 101-26.704), and military inventory control points;

- (v) Mandatory Federal Supply Schedules (see Subpart 8.4);
- (vi) Optional use Federal Supply Schedules (see Subpart 8.4); and
- (vii) Commercial sources (including educational and nonprofit institutions).

**(2) Services.**

(iii) Services available from the Committee for Purchase From People Who Are Blind or Severely Disabled (see Subpart 8.7);

- (ii) Mandatory Federal Supply Schedules (see Subpart 8.4);
- (iv) Optional use Federal Supply Schedules (see Subpart 8.4); and
- (v) Federal Prison Industries, Inc. (see Subpart 8.6), or commercial sources (including educational and non-profit institutions).

b. **Agency Inventories.** Agencies can save time and money by using materials available within the agency rather than initiating unnecessary procurement actions. The Federal Property Management Regulation (FPMR) sets forth guidelines on managing agency inventories and utilizing them to the fullest extent.

c. **Excess Personal Property (FAR 8.101).** "Excess personal property" means any personal property (see FAR 45.601) under the control of a Federal Agency that the agency head or a designee determines is not required for its needs and for the discharge of its responsibilities. It should be utilized by agencies to the fullest extent practicable.

d. **Federal Prison Industries, Inc. (FAR 8.6).** Federal Prison Industries, Inc. (FPI) is a wholly owned government corporation established in 1934 by an Act of Congress and executive order. A board of directors appointed by the President of the United States to serve without compensation administers the corporation. The chief function of this self-supporting corporation is to provide training and employment for inmates confined in Federal Penal and Correctional Institutions. FPI is known by the

trade name UNICOR and provides a wide range of products and services for sale to government agencies. Agencies wishing to acquire products listed on the schedule from a source other than FPI must obtain clearance to do so unless one of the following circumstances applies:

(FAR 8.606)

- (1) *Public exigency requires immediate delivery or performance.*
- (2) *Suitable used or excess supplies are available.*
- (3) *Purchases are made from GSA of less-than-carload lots of common-use items stocked by GSA (see Schedule A of the Schedule);*
- (4) *The products are acquired and used outside the United States; or*
- (5) *Orders are for listed items totaling \$25.00 or less that require delivery within 10 days.*

**e. The Committee for Purchase from the Blind and other Severely Handicapped (FAR 8.7).** The committee was created by the Javits-Wagner-O'Day Act (JWOD) (Public Law 92-28, June 23, 1971) for the purpose of increasing employment opportunities for the blind and other severely handicapped individuals and, whenever possible, preparing these individuals to engage in normal competitive employment. Under the act, the committee has the responsibility for determining which products and services are suitable for provision to the government by qualified workshops serving the blind and other severely handicapped individuals. It is also responsible for establishing the prices that the government will pay for those commodities and services. These supplies are available from the GSA wholesale supply systems. The items offered from this source can be obtained through the GSA catalog or the website at <http://fss.gsa.gov> and are shown in the catalog by a black square by the item [ ] JWOD/NIB/NISH Mandatory Source. By law, these items cannot be purchased except through GSA or a designated Federal Supply Schedule dealer of JWOD products or through the JWOD website at <http://jwod.com>

**f. Wholesale Supply Sources.** Each of the wholesale supply sources is responsible for satisfying the requirements of specific Federal Supply Classification (FSC) class assignments. These assignments are listed in the FPMR at 101-26 and in GSA's Customer Assistance Guide (mailing code OSSC-0003).

**g. General Services Administration; Wholesale Distribution Centers; Federal Supply Service (FSS).** Wholesale Distribution Centers (WDC's) are the backbone of the stock program. FSS stocks a wide variety of common-use items and makes them available to customers worldwide via a network of WDC's. The WDC's warehouses approximately 17,000 items that are listed in the GSA supply catalog.

**h. Mandatory Federal Supply Schedules (208.404-1) Mandatory Use.** The DOD will not be a mandatory user of any schedule unless individual DOD activities elect to provide annual requirements estimates to GSA and become mandatory users.

**i. Optional Use Federal Supply Schedules (208.404-2).** Activities should make maximum use of the schedules. Other procedures may be used if further competition is judged to be in the best interest of the government in terms of quality, responsiveness, or cost. One way for cardholders to quickly check if their requirement can be bought using FSS schedules is to access the World Wide Web. The location for this information is <http://www.on-schedule.com>

16 Feb 01

If cardholders do not have web access they can request publications on Federal Supply Schedules and contractor publications by contacting General Services Administration, Centralized Mailing List Service (7CAIL), P.O. Box 17077, 819 Taylor Street, Fort Worth, TX 76102-0077, phone # (817) 334-4040.

## APPENDIX B

**FROM: HQUSACE "Purchase Card Procedures," prepared by Principal Assistant Responsible for Contracting available @ [www.hq.usace.army.mil/cepr/asp/acquisition/purchasecard.asp](http://www.hq.usace.army.mil/cepr/asp/acquisition/purchasecard.asp)**

**1. Unauthorized Use.** Purchase cards shall not be used for the following purposes:

- a. Without proper authorizations and funding before purchase.
- b. To purchase firearms, ammunition, or telecommunications services.
- c. Purchases of personal services.
- d. To procure certain services such as consultant, printing (including composition and binding) unless purchased from Defense Automated Printing Service – (DAPS) and communications (telephonic, radiophonic or other electronic services requiring specific authorizations), construction, A-E services, cleaning services, (i.e., janitorial).
- e. To purchase, rent, or lease any office space or other real property (including parking spaces).
- f. To purchase airline, bus, boat, or train tickets, motor vehicle rental, hotel lodging, or any other services, for which the Government Travel Card would be appropriate, except in situations where the Government Travel Card is not accepted.
- g. **Cash Advances.** NOT PERMITTED UNDER ANY CIRCUMSTANCES
- h. To purchase Fedstrip/Milstrip products available directly from General Service Administration. This is the responsibility of Logistics.
- i. Repair of leased vehicles when the lease provides for service/maintenance.
- j. Purchase of meals, drinks, lodging or other travel or subsistence costs.
- k. Purchase of gasoline or oil for Interagency Fleet Management vehicles or any other vehicle for which there is a government gasoline credit card.

**l. Repair of Interagency Fleet Management vehicles.**

**m. Purchases of construction services exceeding \$2,000 (Davis-Bacon Act).**

**2. Purchases Requiring Authorization:** Request for the following commodities or services may require the cardholder to obtain approval (normally through CEFMS) before making the purchases.

- a. **To Purchase Books or Periodicals.** Such acquisitions shall be made exclusively in the Information Management Office. "The IMO may at its discretion, delegate wholly or in part, authority to purchase books or periodicals to cardholders severally or individually." The IMO allows cardholders to purchase books or periodicals with the credit card when the cardholder has obtained technical approval from IM prior to the purchase.

16 Feb 01

b. **Printing.** Printing through Defense Printing (DAPS) in excess of the micro-purchase threshold can be purchased through local Information Management Offices. These offices are authorized up to two purchase cards with \$50,000 limits for DAPS printing requirements.



**APPENDIX C**  
**FINANCE AND ACCOUNTING/LEGAL OFFICE**  
**OPERATING PROCEDURES**  
**FOR GOVERNMENT-WIDE COMMERCIAL CREDIT CARDHOLDERS**

1. **ACQUISITION REGULATIONS.** When making purchases using the credit card, all of the applicable acquisition regulations apply. Credit Card PR&C approvers and cardholders are now responsible for ensuring that they follow fiscal law requirements for purchases and time statutes. Appendix C provides a list of items which are either illegal or require F&A approval for purchasing in order to not violate fiscal law purpose statutes. The cardholder should be familiar with the following:

a. **REQUISITION/OBLIGATION.** There are two different methods in Corps of Engineers Financial Management System (CEFMS) for initiating/originating a VISA purchase: (1) Miscellaneous Bulk Purchase Request & Commitment (PR&C)-cannot be used if purchasing specified ADP items that require technical approval, reference Appendix D; (2) Individual Miscellaneous Credit Card PR&C. The credit cardholder must not be both the purchase request approver and the receiver of the goods.

(1) **Miscellaneous Bulk PR&C.** Prior to originating a bulk PR&C, a decision should be made by each office chief whether they want to use the Bulk PR&C, and for how much to originate the PR&C, i.e., Qtr/Yr and how many bulk PR&Cs are needed for their office. Bulk PR&C Benefits: The benefit of using a bulk PR&C include decreasing the amount of time spent by the cardholder originating PR&Cs in CEFMS; and reducing the time required by the work item responsible employee (does not have to approve each individual purchase).

(a) **Origination.** User chooses menu option "Bulk Miscellaneous Purchase" in CEFMS. The originator can be the cardholder or someone else. User creates PR&C based on an estimate of expected expenditures for a specified period of time. It is strongly recommended that each office use a quarterly estimate.

(b) **Approval.** An individual who is authorized to approve purchases against the work item cited on the PR&C will perform this step.

(c) **Certification.** Finance and Accounting Branch (FAB) or Budget will certify the bulk PR&C in CEFMS.

(d) **Internal Notification:** Each office should develop a mechanism for the cardholder notifying the supervisor/approving official of intended purchase prior to purchasing from vendor, i.e., email.

(e) **Technical Approval:** Because the resource code on a bulk PR&C is chosen at the time of the obligation and not prior to the approval, CEFMS does not accommodate technical approval by IM when an ADP resource code is used. IM has developed a list of all resource codes that will require an individual credit card PR&C. Refer to Appendix D for this list. A chart has been developed for items that are illegal to purchase. You must obtain legal approval. This can be obtained by email or fax. See page C-5, this appendix.

(f) **Purchase/Obligation:** The cardholder uses the credit card to purchase items from the vendor. Upon return, the cardholder chooses menu option "Obligate Misc Purchase Using Bulk PR&C." The cardholder chooses the bulk PR&C to be used and specifies the correct resource code and Unit of Measure on the obligation line item.

The vendor should always be U. S. Bank with the name of the cardholder's billing official on the second line. A separate PR&C will be generated for each obligation and an amendment will be created automatically to the bulk reducing it by the amount of the current purchase. As purchases are made, the bulk will continuously be reduced so there will be many amendments being generated until the bulk reaches a zero value. A new bulk PR&C should be created each fiscal year or each quarter.

(g) **Receiving/Invoicing:** The Receiving and Invoice policies are the same for both Bulk and Individual PR&Cs. Please refer to the Receiving and Invoicing steps that follow for regular credit card purchases for more details.

(2) Individual Miscellaneous Credit Card PR&C:

(a) **Origination:** The user chooses menu option "Credit Card Purchase Request" which is located under "Other Miscellaneous Purchases" in CEFMS. The originator can be the cardholder or someone else. Remember to fill in the CTRL F6 Obligation Header that designates the receiver and U S Bank vendor that has the name of the cardholder's approving official. This step must be completed for each purchasing event.

(b) **Technical Approval:** Certain resource codes require technical approval. If one of these resource codes is used, it will electronically route the PR&C to the approving organization for technical approval. If a supply resource code is chosen, the PR&C will be routed to LM for approval. If a resource code is chosen that requires IM approval, it will be routed to IM for technical approval.

(c) **Approval/Commitment:** An individual who is authorized to approve purchases against the work item cited on the PR&C will perform this step for each PR&C created by the cardholder. Certification of the PR&C will also be performed in this step. Certification must take place prior to placing the order or purchasing the goods or services.

(d) **Obligation:** Funds obligation is completed by the cardholder in the Miscellaneous Purchase module in CEFMS.

b. **Receiving/Invoicing:**

(1) **Receiving.** Upon receipt of the goods, the cardholder will process a receiving report. This is also done in the Miscellaneous Purchase Module in CEFMS. If you have not received the goods ordered, but it is billed on your statement from U. S. Bank, you will process the invoice but do not do a receiving report until the goods or services are physically received. Suspend the payment for filing a CSQI if the item is not received within 45 days of the statement on which it was billed. Do not dispute taxes or shipping and handling (S&H). These should be worked out with the vendor before the purchase is made. However, there have been instances where the S&H and taxes were added, even though the understanding with the vendor was made to delete them. If this is the case then you are responsible to work with the vendor to get him to fax you a credit memo, otherwise you will have to amend your PR&C and pay the S&H or the taxes. If the vendor faxes you a credit memo then change the amount on the statement and pay the corrected amount. Attach the credit memo to your statement for your internal file copy. When the credit shows up on your statement the following month you will not take it, just annotate the obligation number and that you received a credit memo.

(2) **Invoicing:** Upon receipt of the monthly statement from U. S. Bank, the cardholder will create an invoice in CEFMS, using menu option "Credit Card Monthly Statement." Because all invoicing is done upon receipt of the statement, all purchases that have not been invoiced will pull into the invoice screen. The cardholder should then be able to type in a "Y" next to all purchases that are also on the statement. The cardholder should pull in their credit card number, enter the date on the statement, enter the date the billing official received their statement and the total amount of the bill net of the credits. The statement must be reconciled exactly to the receipts net of any credits. The obligation numbers should be written on the statement beside each purchase and all documentation and receipts retained by the cardholder.

(a) **Billing Official's Invoice:** Once the cardholder, or cardholders, for which the billing official is responsible, has completed the invoicing, the billing official will approve the invoices in CEFMS using menu option "Credit Card Approving Official Screen." The billing official must ensure that the total invoice amount in the bottom left hand corner of the screen matches the total to be paid to U. S. Bank as reflected on the Billing statement. By approving the invoices, the billing official is attesting to the legality, propriety, and correctness of each purchase. The original "Billing Officials Statement" and cardholders statement, should be manually signed, dispute forms attached, and routed to USACE Finance Center, Attn: CEFC-AO-P, 5722 Integrity Drive, Millington, TN 38054-5005 on a transmittal form, or faxed to Jackie Ruffin, John Owen, or Anne Shoemaker at 901-874-8534 with the transmittal. The transmittal form can be obtained from [www.fc.usace.army.mil](http://www.fc.usace.army.mil). Once you access this site click on "Publications" and scroll down to the section marked "Forms" and you will see a link for the transmittal form.

(b) **Monthly Statement:** If the cardholder is not available to process the monthly statement, then it becomes the responsibility of the billing official.

c. **Emergency Buys:** If the cardholder is in the field (away from the office) and has an emergency buy to a project account, they can call the billing official and get the money reserved by creating a PR&C and having it approved and certified. The billing official will provide the PR&C number to the cardholder.

d. **Prohibited Purchases with Appropriated Funds:**

(1) Fiscal Law prohibits the use of appropriated funds to purchase many items. There may be a specific statute that covers the purchase of the item, but it requires extensive knowledge of Fiscal Law to make this determination. The following list indicates items that fall into the category of items that are either always illegal, or illegal in certain circumstances.

A. ILLEGAL PURCHASES	B. **POSSIBLY ILLEGAL SOME STATUTORY EXCEPTIONS EXIST - LEGAL MUST DETERMINE
Refreshments Coffee Snacks Alcoholic Beverages	Meals Safety Wearing Apparel (Not approved or job hazard analysis by Safety) Medical Treatment/Surveillance Plaques (outside of Incentive Awards)
Gifts for Employees	Medals
Entertainment	Memberships in organizations
Business Cards	Pictures/Frames
Personal Accessories	Coins (outside of Inc. Awards Program)
Gifts for Contractors	Statues
Plaques for Non-Government Personnel	Utensils, Pots, Pans Microwaves, Coffee Pots, Refrigerators
Conference Momentos	Promotional Items
Personal Membership in organizations	

\*\*Approval may be obtained by email or fax. Attach copy of approval to your documentation.

(2) If you receive a request to purchase any of the items listed in column B, you must first obtain approval from the HECSA Office of Counsel. It does not matter if this type of purchase was made before and it was approved, the situation may be different in every case. This list is not all-inclusive; therefore, please contact the HECSA Office of Counsel if you have questions as to the propriety of a purchase. It is critical for you to use good judgment in asking for advice if you are unsure of a purchase.

**APPENDIX D**  
**INFORMATION MANAGEMENT CREDIT CARD PROCEDURES**  
**TECHNICAL APPROVALS**

**1. Credit Card Procedures for Purchase of Information Technology (IT):**

a. Purchase of IT must use the proper resource code. These codes are as follows:

**ITEQPLEASE:** adp and telecommunications hardware leases

**ITEQPMaint:** contractual operation and maintenance of IT

**ITEQUIP:** hardware/computers, peripherals, office automation, and telecommunication equipment greater than \$25,000

**ITEQUIPEXP:** hardware/computers, peripherals, office automation and telecommunication equipment less than \$25,000

**ITSFTDEVL:** private sector contractual costs for system software design and studies

**ITSFTMAINT:** contractual operation and maintenance of IT

**ITSFTWARE:** custom and off-the-shelf software greater than \$25,000

**ITSFTWREXP:** custom and off-the-shelf software less than \$25,000

**ITSUPPLIES:** computers, word processing tapes, discs, and manuals

When one of these resource codes is used, the PR&C will be routed to IM for technical approval prior to certification. Questions on resource codes should be addressed to IM-P.

b. The purchase of books and periodicals has been delegated to cardholders and does not require IM approval prior to purchase.

c. IT purchases shall not be made using the 'bulk' PR&C procedure.

d. Defense Automated Printing Services (DAPS) is the only authorized 'credit card' vendor for printing/reproduction.

e. **Filing Equipment.** All file equipment requests (standard and non-standard) will be submitted to the Records Administrator, IM-PR, by memorandum, for approval prior to purchase. A copy of the approval must be attached to the PR&C and kept as part of the official record. Requests will include a justification as to why additional or replacement equipment is required.

f. **Non-standard Filing Supplies.** Requests for non-standard filing supplies will be submitted to Records Administrator, IM-PR, by e-mail or memorandum, for approval prior to purchase. A copy of the approval must be attached to the PR&C and kept as part of official record. Requests will include a justification of the following information:

(1) A complete description of the supplies, costs, and the source from which the supplies are to be obtained.

(2) The reasons why standard filing supplies cannot be used.

## **APPENDIX E**

### **LOGISTICS CREDIT CARD PROCEDURES**

#### **Procedures for Credit Cards:**

a. A PR&C must be created in CEFMS for all purchases. Bulk funded PR&Cs can be used for expendable or non-expendable property. When creating the PR&C for non-expendable/accountable property, ensure that the correct resource code is used. If there is uncertainty as to an item being expendable or non-expendable, accountable/non-expendable property is defined in ER 700-1-1.

b. Office supplies will be ordered by use of the credit card through GSA Advantage (JWOD Products). Cardholders are responsible for complying with mandatory sources prior to using the open market, even during emergencies. Mandatory source items are listed in the GSA catalogs, indicated by a small black box just above the national stock number of the item. All cardholders receive these instructions during the credit card training presented by the Contracting Office.

c. The Contracting Office will procure GSA items costing more than \$2,500.

d. Technical Approval must always be obtained prior to ordering items on the credit card. When ordering accountable property through CEFMS, selection of the correct resource code will automatically send the request through the PBO for technical approval. However, CEFMS has no way of obtaining technical approval on other items that require this approval. Therefore, it is absolutely necessary that the cardholder obtain this approval through other means, such as a hard copy electronic mail message, memorandum, etc. These approvals must be available for audit purposes. A list of these items requiring technical approval are listed in the Appendix E of this regulation for the Information Management Office, Resource Management Office, and the Safety and Occupational Health Office.

## **APPENDIX F**

### **EXPLANATION OF TERMS AND ABBREVIATIONS**

1. **Agency/Organization Program Coordinator.** The Agency/Organization Program Coordinator (A/OPC) serves as the point of contact for coordination of the applications, issuance and destruction of cards, establishment of reports, and administrative training. This individual also serves as the liaison between HECSA, the contractor bank, and the GSA Contracting Officer. The A/OPC oversees the Credit Card Program and establishes guidelines. Changes to dollar limitations or authorized merchant codes must be submitted to the bank by the A/OPC. The Agency/Organization Primary and Alternate Program Coordinator contacts are:

Alandra R. Jones, CEHEC-CT, (703) 428-6551, Primary

Brian E. Smith, CEHEC-CT, (703) 428-8062, Alternate

2. **Billing Official and Alternate.** The Billing Official (BO) and Alternate (ABO), should be the cardholder's immediate supervisor or a higher level official. A cardholder cannot be his/her own BO. A cardholder may not be an ABO for his/her supervisor. The act of certifying that the billing statement is proper for payment makes the BO and ABO pecuniary liable in accordance with 31 USC Sec. 3528. The BO and ABO are liable for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, if a BO or ABO knowingly makes a false certification, they are liable for repayment to the government for those purchased items.

a. **Training.** The Government uses the BO concept in the commercial credit card program for internal control purposes. The BO and ABO provide a critical checkpoint by reviewing the cardholder's transactions on the Statement of Account (SOA). All BO's and ABO's must have completed the required training for the Government-Wide Credit Card Program before they sign monthly SOA's.

b. **Responsibilities:** The BO is responsible for the following:

(1) Enforce the provisions of these internal procedures and initiate administrative and disciplinary procedures for misuse of the credit card.

(2) Document any misuse of the credit card and forward that information through their Director or Separate Office Chief to the Chief, Contracting Office, HECSA.

(3) Ensuring that appropriate property book procedures have been followed and that hand receipts have been obtained, when required.



c. **Functions:** The BO functions include the following:

- (1) Date stamps the billing statement upon receipt.
- (2) Sign cardholders SOA's and certify the monthly billing statement for payment in full. Payment will not be withheld for delayed disputes.
- (3) Review all cardholder's SOA's, verifying that all transactions made were for official government use, and verify items purchased were authorized in accordance with Federal Acquisition Regulations (FAR), HQUSACE Purchase Procedures and the HECSA Pamphlet 715-1-1.
- (4) Ensure that an ABO will perform Billing Statement and SOA reconciliation in the event the BO is not available to review and sign monthly SOA's.

e. **Statement of Account (SOA):** At the end of each billing cycle, the contractor bank provides a report on purchases to the cardholders. This report is the Statement of Account (SOA). The report indicates date, amount, and place of purchase, and forms the basis for reconciliation process between the cardholder and the BO. Cardholders must verify receipt of the ordered items in CEFMS prior to submitting the SOA to the BO. The cardholders must provide the BO sufficient supplementary documentation for verification. The documentation shall include, but not be limited to: (1) vendor's sales drafts/receipts; (2) PR&C's with technical approvals, obligation numbers, packing slips; (3) cardholders Statement of Questioned Items (CSQI); and, (4) a copy of the Record of Credit Card Purchases Call Log.